

1 **TITLE V—PRESERVATION OF**
2 **AFFORDABLE HOUSING**

3 **SEC. 501. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This title may be cited as the
5 “Preserving Affordable Housing for Senior Citizens and
6 Families into the 21st Century Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this title is as follows:

Sec. 501. Short title and table of contents.
Sec. 502. Regulations.
Sec. 503. Effective date.

Subtitle A—Authorization of Appropriations for Supportive Housing for the
Elderly and Persons With Disabilities

Sec. 511. Supportive housing for elderly persons.
Sec. 512. Supportive housing for persons with disabilities.
Sec. 513. Service coordinators and congregate services for elderly and disabled
housing.

Subtitle B—Expanding Housing Opportunities for the Elderly and Persons
With Disabilities

Sec. 521. Study of debt forgiveness for section 202 loans.
Sec. 522. Grants for conversion of elderly housing to assisted living facilities.
Sec. 523. Use of section 8 assistance for assisted living facilities.
Sec. 524. Size limitation for projects for persons with disabilities.
Sec. 525. Commission on Affordable Housing and Health Care Facility Needs
in the 21st Century.

Subtitle C—Renewal of Expiring Rental Assistance Contracts and Protection
of Residents

Sec. 531. Renewal of expiring contracts and enhanced vouchers for project resi-
dents.
Sec. 532. Section 236 assistance.
Sec. 533. Rehabilitation of assisted housing.
Sec. 534. Technical assistance.
Sec. 535. Termination of section 8 contract and duration of renewal contract.
Sec. 536. Eligibility of residents of flexible subsidy projects for enhanced vouch-
ers.
Sec. 537. Enhanced disposition authority.
Sec. 538. Unified enhanced voucher authority.

1 **SEC. 502. REGULATIONS.**

2 The Secretary of Housing and Urban Development
3 shall issue any regulations to carry out this title and the
4 amendments made by this title that the Secretary deter-
5 mines may or will affect tenants of federally assisted hous-
6 ing only after notice and opportunity for public comment
7 in accordance with the procedure under section 553 of title
8 5, United States Code, applicable to substantive rules
9 (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of
10 such section). Notice of such proposed rulemaking shall
11 be provided by publication in the Federal Register. In
12 issuing such regulations, the Secretary shall take such ac-
13 tions as may be necessary to ensure that such tenants are
14 notified of, and provided an opportunity to participate in,
15 the rulemaking, as required by such section 553.

16 **SEC. 503. EFFECTIVE DATE.**

17 (a) IN GENERAL.—The provisions of this title and
18 the amendments made by this title are effective as of the
19 date of the enactment of this Act, unless such provisions
20 or amendments specifically provide for effectiveness or ap-
21 plicability upon another date certain.

22 (b) EFFECT OF REGULATORY AUTHORITY.—Any au-
23 thority in this title or the amendments made by this title
24 to issue regulations, and any specific requirement to issue
25 regulations by a date certain, may not be construed to af-
26 fect the effectiveness or applicability of the provisions of

1 this title or the amendments made by this title under such
2 provisions and amendments and subsection (a) of this sec-
3 tion.

4 **Subtitle A—Authorization of Ap-**
5 **propriations for Supportive**
6 **Housing for the Elderly and**
7 **Persons With Disabilities**

8 **SEC. 511. SUPPORTIVE HOUSING FOR ELDERLY PERSONS.**

9 Section 202 of the Housing Act of 1959 (12 U.S.C.
10 1701q) is amended by adding at the end the following new
11 subsection:

12 “(m) AUTHORIZATION OF APPROPRIATIONS.—There
13 is authorized to be appropriated for providing assistance
14 under this section \$710,000,000 for fiscal year 2000.”.

15 **SEC. 512. SUPPORTIVE HOUSING FOR PERSONS WITH DIS-**
16 **ABILITIES.**

17 Section 811 of the Cranston-Gonzalez National Af-
18 fordable Housing Act (42 U.S.C. 8013) is amended—

19 (1) by redesignating subsection (m) as sub-
20 section (n); and

21 (2) by inserting after subsection (l) the follow-
22 ing new subsection:

23 “(m) AUTHORIZATION OF APPROPRIATIONS.—There
24 is authorized to be appropriated for providing assistance
25 under this section \$201,000,000 for fiscal year 2000.”.

1 **SEC. 513. SERVICE COORDINATORS AND CONGREGATE**
2 **SERVICES FOR ELDERLY AND DISABLED**
3 **HOUSING.**

4 (a) AUTHORIZATION OF APPROPRIATIONS FOR FED-
5 ERALLY ASSISTED HOUSING.—There is authorized to be
6 appropriated to the Secretary of Housing and Urban De-
7 velopment \$50,000,000 for fiscal year 2000 for the follow-
8 ing purposes:

9 (1) GRANTS FOR SERVICE COORDINATORS FOR
10 CERTAIN FEDERALLY ASSISTED MULTIFAMILY HOUS-
11 ING.—For grants under section 676 of the Housing
12 and Community Development Act of 1992 (42
13 U.S.C. 13632) for providing service coordinators.

14 (2) CONGREGATE SERVICES FOR FEDERALLY
15 ASSISTED HOUSING.—For contracts under section
16 802 of the Cranston-Gonzalez National Affordable
17 Housing Act (42 U.S.C. 8011) to provide congregate
18 services programs for eligible residents of eligible
19 housing projects under subparagraphs (B) through
20 (D) of subsection (k)(6) of such section.

21 (b) PUBLIC HOUSING.—There is authorized to be ap-
22 propriated to the Secretary of Housing and Urban Devel-
23 opment such sums as may be necessary for fiscal year
24 2000 for grants for use only for activities described in
25 paragraph (2) of section 34(b) of the United States Hous-
26 ing Act of 1937 (42 U.S.C. 1437z-6(b)(2)) for renewal

1 of all grants made in prior fiscal years for providing serv-
2 ice coordinators and congregate services for the elderly
3 and disabled in public housing.

4 **Subtitle B—Expanding Housing**
5 **Opportunities for the Elderly**
6 **and Persons With Disabilities**

7 **SEC. 521. STUDY OF DEBT FORGIVENESS FOR SECTION 202**
8 **LOANS.**

9 (a) IN GENERAL.—The Secretary of Housing and
10 Urban Development shall conduct an analysis of the net
11 impact on the Federal budget deficit or surplus of making
12 available, on a one-time basis, to sponsors of projects as-
13 sisted under section 202 of the Housing Act of 1959 (as
14 in effect before the enactment of the Cranston-Gonzalez
15 National Affordable Housing Act), forgiveness of any in-
16 debtedness to the Secretary relating to any remaining
17 principal and interest under loans made under such sec-
18 tion, together with a dollar for dollar reduction in the
19 amount of rental assistance under section 8 of the United
20 States Housing Act of 1937 or other rental assistance pro-
21 vided for such project. Such analysis shall take into con-
22 sideration the full cost of future appropriations for rental
23 assistance under such section 8 expected to be provided
24 if such debt forgiveness does not take place, notwithstand-

1 ing current budgetary treatment of such actions pursuant
2 to the Congressional Budget Act of 1974.

3 (b) REPORT.—Not later than the expiration of the
4 3-month period beginning on the date of the enactment
5 of this Act, the Secretary of Housing and Urban Develop-
6 ment shall submit a report to the Congress containing the
7 quantitative results of the analysis and an enumeration
8 of any project or administrative benefits of such actions.

9 **SEC. 522. GRANTS FOR CONVERSION OF ELDERLY HOUSING**
10 **TO ASSISTED LIVING FACILITIES.**

11 Title II of the Housing Act of 1959 is amended by
12 inserting after section 202a (12 U.S.C. 1701q–1) the fol-
13 lowing new section:

14 **“SEC. 202b. GRANTS FOR CONVERSION OF ELDERLY HOUS-**
15 **ING TO ASSISTED LIVING FACILITIES.**

16 “(a) GRANT AUTHORITY.—The Secretary of Housing
17 and Urban Development may make grants in accordance
18 with this section to owners of eligible projects described
19 in subsection (b) for one or both of the following activities:

20 “(1) REPAIRS.—Substantial capital repairs to a
21 project that are needed to rehabilitate, modernize, or
22 retrofit aging structures, common areas, or individ-
23 ual dwelling units.

1 “(2) CONVERSION.—Activities designed to con-
2 vert dwelling units in the eligible project to assisted
3 living facilities for elderly persons.

4 “(b) ELIGIBLE PROJECTS.—An eligible project de-
5 scribed in this subsection is a multifamily housing project
6 that is—

7 “(1) described in subparagraph (B), (C), (D),
8 (E), (F), or (G) of section 683(2) of the Housing
9 and Community Development Act of 1992 (42
10 U.S.C. 13641(2)), or (B) only to the extent amounts
11 of the Department of Agriculture are made available
12 to the Secretary of Housing and Urban Development
13 for such grants under this section for such projects,
14 subject to a loan made or insured under section 515
15 of the Housing Act of 1949 (42 U.S.C. 1485);

16 “(2) owned by a private nonprofit organization
17 (as such term is defined in section 202); and

18 “(3) designated primarily for occupancy by el-
19 derly persons.

20 Notwithstanding any other provision of this subsection or
21 this section, an unused or underutilized commercial prop-
22 erty may be considered an eligible project under this sub-
23 section, except that the Secretary may not provide grants
24 under this section for more than 3 such properties. For
25 any such projects, any reference under this section to

1 dwelling units shall be considered to refer to the premises
2 of such properties.

3 “(c) APPLICATIONS.—Applications for grants under
4 this section shall be submitted to the Secretary in accord-
5 ance with such procedures as the Secretary shall establish.
6 Such applications shall contain—

7 “(1) a description of the substantial capital re-
8 pairs or the proposed conversion activities for which
9 a grant under this section is requested;

10 “(2) the amount of the grant requested to com-
11 plete the substantial capital repairs or conversion ac-
12 tivities;

13 “(3) a description of the resources that are ex-
14 pected to be made available, if any, in conjunction
15 with the grant under this section; and

16 “(4) such other information or certifications
17 that the Secretary determines to be necessary or ap-
18 propriate.

19 “(d) FUNDING FOR SERVICES.—The Secretary may
20 not make a grant under this section for conversion activi-
21 ties unless the application contains sufficient evidence, in
22 the determination of the Secretary, of firm commitments
23 for the funding of services to be provided in the assisted
24 living facility, which may be provided by third parties.

1 “(e) SELECTION CRITERIA.—The Secretary shall se-
2 lect applications for grants under this section based upon
3 selection criteria, which shall be established by the Sec-
4 retary and shall include—

5 “(1) in the case of a grant for substantial cap-
6 ital repairs, the extent to which the project to be re-
7 paired is in need of such repair, including such fac-
8 tors as the age of improvements to be repaired, and
9 the impact on the health and safety of residents of
10 failure to make such repairs;

11 “(2) in the case of a grant for conversion activi-
12 ties, the extent to which the conversion is likely to
13 provide assisted living facilities that are needed or
14 are expected to be needed by the categories of elder-
15 ly persons that the assisted living facility is intended
16 to serve, with a special emphasis on very low-income
17 elderly persons who need assistance with activities of
18 daily living;

19 “(3) the inability of the applicant to fund the
20 repairs or conversion activities from existing finan-
21 cial resources, as evidenced by the applicant’s finan-
22 cial records, including assets in the applicant’s resid-
23 ual receipts account and reserves for replacement ac-
24 count;

1 “(4) the extent to which the applicant has evi-
2 denced community support for the repairs or conver-
3 sion, by such indicators as letters of support from
4 the local community for the repairs or conversion
5 and financial contributions from public and private
6 sources;

7 “(5) in the case of a grant for conversion activi-
8 ties, the extent to which the applicant demonstrates
9 a strong commitment to promoting the autonomy
10 and independence of the elderly persons that the as-
11 sisted living facility is intended to serve;

12 “(6) in the case of a grant for conversion activi-
13 ties, the quality, completeness, and managerial capa-
14 bility of providing the services which the assisted liv-
15 ing facility intends to provide to elderly residents,
16 especially in such areas as meals, 24-hour staffing,
17 and on-site health care; and

18 “(7) such other criteria as the Secretary deter-
19 mines to be appropriate to ensure that funds made
20 available under this section are used effectively.

21 “(f) DEFINITIONS.—For the purposes of this
22 section—

23 “(1) the term ‘assisted living facility’ has the
24 meaning given such term in section 232(b) of the
25 National Housing Act (12 U.S.C. 1715w(b)); and

1 “(2) the definitions in section 202(k) shall
2 apply.

3 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated for providing grants
5 under this section such sums as may be necessary for fis-
6 cal year 2000.”.

7 **SEC. 523. USE OF SECTION 8 ASSISTANCE FOR ASSISTED**
8 **LIVING FACILITIES.**

9 (a) VOUCHER ASSISTANCE.—Section 8(o) of the
10 United States Housing Act of 1937 (42 U.S.C. 1437f(o))
11 is amended by adding at the end the following new para-
12 graph:

13 “(18) RENTAL ASSISTANCE FOR ASSISTED LIV-
14 ING FACILITIES.—

15 “(A) IN GENERAL.—A public housing
16 agency may make assistance payments on be-
17 half of a family that uses an assisted living fa-
18 cility as a principal place of residence and that
19 uses such supportive services made available in
20 the facility as the agency may require. Such
21 payments may be made only for covering costs
22 of rental of the dwelling unit in the assisted liv-
23 ing facility and not for covering any portion of
24 the cost of residing in such facility that is at-
25 tributable to service relating to assisted living.

1 “(B) RENT CALCULATION.—

2 “(i) CHARGES INCLUDED.—For as-
3 sistence pursuant to this paragraph, the
4 rent of the dwelling unit that is an assisted
5 living facility with respect to which assist-
6 ance payments are made shall include
7 maintenance and management charges re-
8 lated to the dwelling unit and tenant-paid
9 utilities. Such rent shall not include any
10 charges attributable to services relating to
11 assisted living.

12 “(ii) PAYMENT STANDARD.—In deter-
13 mining the monthly assistance that may be
14 paid under this paragraph on behalf of any
15 family residing in an assisted living facil-
16 ity, the public housing agency shall utilize
17 the payment standard established under
18 paragraph (1), for the market area in
19 which the assisted living facility is located,
20 for the applicable size dwelling unit.

21 “(iii) MONTHLY ASSISTANCE PAY-
22 MENT.—The monthly assistance payment
23 for a family assisted under this paragraph
24 shall be determined in accordance with
25 paragraph (2) (using the rent and payment

1 standard for the dwelling unit as deter-
2 mined in accordance with this subsection).

3 “(C) DEFINITION.—For the purposes of
4 this paragraph, the term ‘assisted living facility’
5 has the meaning given that term in section
6 232(b) of the National Housing Act (12 U.S.C.
7 1715w(b)), except that such a facility may be
8 contained within a portion of a larger multifam-
9 ily housing project.”.

10 (b) PROJECT-BASED ASSISTANCE.—Section 202b of
11 the Housing Act of 1959, as added by section 522 of this
12 Act, is amended—

13 (1) by redesignating subsections (f) and (g) as
14 subsections (g) and (h), respectively; and

15 (2) by inserting after subsection (e) the follow-
16 ing new subsection:

17 “(f) SECTION 8 PROJECT-BASED ASSISTANCE.—

18 “(1) ELIGIBILITY.—Notwithstanding any other
19 provision of law, a multifamily project which in-
20 cludes one or more dwelling units that have been
21 converted to assisted living facilities using grants
22 made under this section shall be eligible for project-
23 based assistance under section 8 of the United
24 States Housing Act of 1937, in the same manner in
25 which the project would be eligible for such assist-

1 ance but for the assisted living facilities in the
2 project.

3 “(2) CALCULATION OF RENT.—For assistance
4 pursuant to this subsection, the maximum monthly
5 rent of a dwelling unit that is an assisted living fa-
6 cility with respect to which assistance payments are
7 made shall not include charges attributable to serv-
8 ices relating to assisted living.”.

9 **SEC. 524. SIZE LIMITATION FOR PROJECTS FOR PERSONS**
10 **WITH DISABILITIES.**

11 (a) LIMITATION.—Section 811 of the Cranston-Gon-
12 zalez National Affordable Housing Act (42 U.S.C. 8013)
13 is amended—

14 (1) in subsection (k)(4), by inserting “, subject
15 to the limitation under subsection (h)(6)” after
16 “prescribe”; and

17 (2) in subsection (l), by adding at the end the
18 following new paragraph:

19 “(4) SIZE LIMITATION.—Of any amounts made
20 available for any fiscal year and used for capital ad-
21 vances or project rental assistance under paragraphs
22 (1) and (2) of subsection (d), not more than 25 per-
23 cent may be used for supportive housing which con-
24 tains more than 24 separate dwelling units.”.

1 (b) STUDY.—Not later than the expiration of the 3-
2 month period beginning on the date of the enactment of
3 this Act, the Secretary of Housing and Urban Develop-
4 ment shall conduct a study and submit a report to the
5 Congress regarding—

6 (1) the extent to which the authority of the Sec-
7 retary under section 811(k)(4) of the Cranston-Gon-
8 zalez National Affordable Housing Act (42 U.S.C.
9 8013(k)(4)), as in effect immediately before the en-
10 actment of this Act, has been used in each year
11 since 1990 to provide for assistance under such sec-
12 tion for supportive housing for persons with disabili-
13 ties having more than 24 separate dwelling units;

14 (2) the per-unit costs of, and the benefits and
15 problems associated with, providing such housing in
16 projects having 8 or less dwelling units, 8 to 24
17 units, and more than 24 units; and

18 (3) the per-unit costs of, and the benefits and
19 problems associated with providing housing under
20 section 202 of the Housing Act of 1959 (12 U.S.C.
21 1701q) in projects having 30 to 50 dwelling units,
22 in projects having more than 50 but not more than
23 80 dwelling units, in projects having more than 80
24 but not more than 120 dwelling units, and in
25 projects having more than 120 dwelling units, but

1 the study shall also examine the social consider-
2 ations afforded by smaller and moderate-size devel-
3 opments and shall not be limited to economic fac-
4 tors.

5 **SEC. 525. COMMISSION ON AFFORDABLE HOUSING AND**
6 **HEALTH CARE FACILITY NEEDS IN THE 21ST**
7 **CENTURY.**

8 (a) ESTABLISHMENT.—There is hereby established a
9 commission to be known as the Commission on Affordable
10 Housing and Health Care Facility Needs in the 21st Cen-
11 tury (in this section referred to as the “Commission”).

12 (b) STUDY.—The duty of the Commission shall be to
13 conduct a study that—

14 (1) compiles and interprets information regard-
15 ing the expected increase in the population of per-
16 sons 62 years of age or older, particularly informa-
17 tion regarding distribution of income levels, home-
18 ownership and home equity rates, and degree or ex-
19 tent of health and independence of living;

20 (2) provides an estimate of the future needs of
21 seniors for affordable housing and assisted living
22 and health care facilities;

23 (3) provides a comparison of estimate of such
24 future needs with an estimate of the housing and fa-
25 cilities expected to be provided under existing public

1 programs, and identifies possible actions or initia-
2 tives that may assist in providing affordable housing
3 and assisted living and health care facilities to meet
4 such expected needs;

5 (4) identifies and analyzes methods of encour-
6 aging increased private sector participation, invest-
7 ment, and capital formation in affordable housing
8 and assisted living and health care facilities for sen-
9 iors through partnerships between public and private
10 entities and other creative strategies;

11 (5) analyzes the costs and benefits of com-
12 prehensive aging-in-place strategies, taking into con-
13 sideration physical and mental well-being and the
14 importance of coordination between shelter and sup-
15 portive services;

16 (6) identifies and analyzes methods of promot-
17 ing a more comprehensive approach to dealing with
18 housing and supportive service issues involved in
19 aging and the multiple governmental agencies in-
20 volved in such issues, including the Department of
21 Housing and Urban Development and the Depart-
22 ment of Health and Human Services; and

23 (7) examines how to establish intergenerational
24 learning and care centers and living arrangements,
25 in particular to facilitate appropriate environments

1 for families consisting only of children and a grand-
2 parent or grandparents who are the head of the
3 household.

4 (c) MEMBERSHIP.—

5 (1) NUMBER AND APPOINTMENT.—The Com-
6 mission shall be composed of 14 members, appointed
7 not later than January 1, 2000, as follows:

8 (A) 2 co-chairpersons, of whom—

9 (i) 1 co-chairperson shall be appointed
10 by a committee consisting of the chairman
11 of the Subcommittee on Housing and Com-
12 munity Opportunities of the House of Rep-
13 resentatives and the chairman of the Sub-
14 committee on Housing and Transportation
15 of the Senate, and the chairmen of the
16 Subcommittees on the Departments of Vet-
17 erans Affairs and Housing and Urban De-
18 velopment, and Independent Agencies of
19 the Committees on Appropriations of the
20 House of Representatives and the Senate;
21 and

22 (ii) 1 co-chairperson shall be ap-
23 pointed by a committee consisting of the
24 ranking minority member of the Sub-
25 committee on Housing and Community

1 Opportunities of the House of Representa-
2 tives and the ranking minority member of
3 the Subcommittee on Housing and Trans-
4 portation of the Senate, and the ranking
5 minority members of the Subcommittees
6 on the Departments of Veterans Affairs
7 and Housing and Urban Development, and
8 Independent Agencies of the Committees
9 on Appropriations of the House of Rep-
10 resentatives and the Senate.

11 (B) 6 members appointed by the Chairman
12 and Ranking Minority Member of the Commit-
13 tee on Banking and Financial Services of the
14 House of Representatives and the Chairman
15 and Ranking Minority Member of the Commit-
16 tee on Appropriations of the House of Rep-
17 resentatives.

18 (C) 6 members appointed by the Chairman
19 and Ranking Minority Member of the Commit-
20 tee on Banking, Housing, and Urban Affairs of
21 the Senate and the Chairman and Ranking Mi-
22 nority Member of the Committee on Appropria-
23 tions of the Senate.

24 (2) QUALIFICATIONS.—Appointees should have
25 proven expertise in directing, assembling, or apply-

1 ing capital resources from a variety of sources to the
2 successful development of affordable housing, as-
3 sisted living facilities, or health care facilities.

4 (3) VACANCIES.—Any vacancy on the Commis-
5 sion shall not affect its powers and shall be filled in
6 the manner in which the original appointment was
7 made.

8 (4) CHAIRPERSONS.—The members appointed
9 pursuant to paragraph (1)(A) shall serve as co-
10 chairpersons of the Commission.

11 (5) PROHIBITION OF PAY.—Members of the
12 Commission shall serve without pay.

13 (6) TRAVEL EXPENSES.—Each member of the
14 Commission shall receive travel expenses, including
15 per diem in lieu of subsistence, in accordance with
16 sections 5702 and 5703 of title 5, United States
17 Code.

18 (7) QUORUM.—A majority of the members of
19 the Commission shall constitute a quorum but a
20 lesser number may hold hearings.

21 (8) MEETINGS.—The Commission shall meet at
22 the call of the Chairpersons.

23 (d) DIRECTOR AND STAFF.—

24 (1) DIRECTOR.—The Commission shall have a
25 Director who shall be appointed by the Chairperson.

1 The Director shall be paid at a rate not to exceed
2 the rate of basic pay payable for level V of the Exec-
3 utive Schedule.

4 (2) STAFF.—The Commission may appoint per-
5 sonnel as appropriate. The staff of the Commission
6 shall be appointed subject to the provisions of title
7 5, United States Code, governing appointments in
8 the competitive service, and shall be paid in accord-
9 ance with the provisions of chapter 51 and sub-
10 chapter III of chapter 53 of that title relating to
11 classification and General Schedule pay rates.

12 (3) EXPERTS AND CONSULTANTS.—The Com-
13 mission may procure temporary and intermittent
14 services under section 3109(b) of title 5, United
15 States Code, but at rates for individuals not to ex-
16 ceed the daily equivalent of the maximum annual
17 rate of basic pay payable for the General Schedule.

18 (4) STAFF OF FEDERAL AGENCIES.—Upon re-
19 quest of the Commission, the head of any Federal
20 department or agency may detail, on a reimbursable
21 basis, any of the personnel of that department or
22 agency to the Commission to assist it in carrying out
23 its duties under this Act.

24 (e) POWERS.—

1 (1) HEARINGS AND SESSIONS.—The Commis-
2 sion may, for the purpose of carrying out this sec-
3 tion, hold hearings, sit and act at times and places,
4 take testimony, and receive evidence as the Commis-
5 sion considers appropriate.

6 (2) POWERS OF MEMBERS AND AGENTS.—Any
7 member or agent of the Commission may, if author-
8 ized by the Commission, take any action which the
9 Commission is authorized to take by this section.

10 (3) OBTAINING OFFICIAL DATA.—The Commis-
11 sion may secure directly from any department or
12 agency of the United States information necessary
13 to enable it to carry out this Act. Upon request of
14 the Chairpersons of the Commission, the head of
15 that department or agency shall furnish that infor-
16 mation to the Commission.

17 (4) GIFTS, BEQUESTS, AND DEVISES.—The
18 Commission may accept, use, and dispose of gifts,
19 bequests, or devises of services or property, both real
20 and personal, for the purpose of aiding or facilitat-
21 ing the work of the Commission. Gifts, bequests, or
22 devises of money and proceeds from sales of other
23 property received as gifts, bequests, or devises shall
24 be deposited in the Treasury and shall be available
25 for disbursement upon order of the Commission.

1 (5) **MAILS.**—The Commission may use the
2 United States mails in the same manner and under
3 the same conditions as other departments and agen-
4 cies of the United States.

5 (6) **ADMINISTRATIVE SUPPORT SERVICES.**—
6 Upon the request of the Commission, the Adminis-
7 trator of General Services shall provide to the Com-
8 mission, on a reimbursable basis, the administrative
9 support services necessary for the Commission to
10 carry out its responsibilities under this section.

11 (7) **CONTRACT AUTHORITY.**—The Commission
12 may contract with and compensate government and
13 private agencies or persons for services, without re-
14 gard to section 3709 of the Revised Statutes (41
15 U.S.C. 5).

16 (f) **REPORT.**—The Commission shall submit to the
17 Committees on Banking and Financial Services and Ap-
18 propriations of the House of Representatives and the
19 Committees on Banking, Housing, and Urban Affairs and
20 Appropriations of the Senate, a final report not later than
21 December 31, 2001. The report shall contain a detailed
22 statement of the findings and conclusions of the Commis-
23 sion with respect to the study conducted under subsection
24 (b), together with its recommendations for legislation, ad-

1 ministrative actions, and any other actions the Commis-
2 sion considers appropriate.

3 (g) TERMINATION.—The Commission shall terminate
4 on June 30, 2002. Section 14(a)(2)(B) of the Federal Ad-
5 visory Committee Act (5 U.S.C. App.; relating to the ter-
6 mination of advisory committees) shall not apply to the
7 Commission.

8 **Subtitle C—Renewal of Expiring**
9 **Rental Assistance Contracts and**
10 **Protection of Residents**

11 **SEC. 531. RENEWAL OF EXPIRING CONTRACTS AND EN-**
12 **HANCED VOUCHERS FOR PROJECT RESI-**
13 **DENTS.**

14 (a) IN GENERAL.—Section 524 of the Multifamily
15 Assisted Housing Reform and Affordability Act of 1997
16 (42 U.S.C. 1437f note) is amended to read as follows:

17 **“SEC. 524. RENEWAL OF EXPIRING PROJECT-BASED SEC-**
18 **TION 8 CONTRACTS.**

19 “(a) IN GENERAL.—

20 “(1) RENEWAL.—Subject to paragraph (2),
21 upon termination or expiration of a contract for
22 project-based assistance under section 8 for a multi-
23 family housing project (and notwithstanding section
24 8(v) of the United States Housing Act of 1937 for
25 loan management assistance), the Secretary shall, at

1 the request of the owner of the project and to the
2 extent sufficient amounts are made available in ap-
3 propriation Acts, use amounts available for the re-
4 newal of assistance under section 8 of such Act to
5 provide such assistance for the project. The assist-
6 ance shall be provided under a contract having such
7 terms and conditions as the Secretary considers ap-
8 propriate, subject to the requirements of this sec-
9 tion. This section shall not require contract renewal
10 for a project that is eligible under this subtitle for
11 a mortgage restructuring and rental assistance suffi-
12 ciency plan, if there is no approved plan for the
13 project and the Secretary determines that such an
14 approved plan is necessary.

15 “(2) PROHIBITION ON RENEWAL.—Notwith-
16 standing part 24 of title 24 of the Code of Federal
17 Regulations, the Secretary may elect not to renew
18 assistance for a project otherwise required to be re-
19 newed under paragraph (1) or provide comparable
20 benefits under paragraph (1) or (2) of subsection (e)
21 for a project described in either such paragraph, if
22 the Secretary determines that a violation under
23 paragraph (1) through (4) of section 516(a) has oc-
24 curred with respect to the project. For purposes of
25 such a determination, the provisions of section 516

1 shall apply to a project under this section in the
2 same manner and to the same extent that the provi-
3 sions of such section apply to eligible multifamily
4 housing projects, except that the Secretary shall
5 make the determination under section 516(a)(4).

6 “(3) CONTRACT TERM FOR MARK-UP-TO-MAR-
7 KET CONTRACTS.—In the case of an expiring or ter-
8 minating contract that has rent levels less than com-
9 parable market rents for the market area, if the rent
10 levels under the renewal contract under this section
11 are equal to comparable market rents for the market
12 area, the contract shall have a term of not less than
13 5 years, subject to the availability of sufficient
14 amounts in appropriation Acts.

15 “(4) RENEWAL RENTS.—Except as provided in
16 subsection (b), the contract for assistance shall pro-
17 vide assistance at the following rent levels:

18 “(A) MARKET RENTS.—At the request of
19 the owner of the project, at rent levels equal to
20 the lesser of comparable market rents for the
21 market area or 150 percent of the fair market
22 rents, in the case only of a project that—

23 “(i) has rent levels under the expiring
24 or terminating contract that do not exceed
25 such comparable market rents;

1 “(ii) does not have a low- and mod-
2 erate-income use restriction that can not
3 be eliminated by unilateral action by the
4 owner;

5 “(iii) is decent, safe, and sanitary
6 housing, as determined by the Secretary;

7 “(iv) is not—

8 “(I) owned by a nonprofit entity;

9 “(II) subject to a contract for
10 moderate rehabilitation assistance
11 under section 8(e)(2) of the United
12 States Housing Act of 1937, as in ef-
13 fect before October 1, 1991; or

14 “(III) a project for which the
15 public housing agency provided vouch-
16 er assistance to one or more of the
17 tenants after the owner has provided
18 notice of termination of the contract
19 covering the tenant’s unit; and

20 “(v) has units assisted under the con-
21 tract for which the comparable market rent
22 exceeds 110 percent of the fair market
23 rent.

24 The Secretary may adjust the percentages of
25 fair market rent (as specified in the matter pre-

1 ceding clause (i) and in clause (v)), but only
2 upon a determination and written notification
3 to the Congress within 10 days of making such
4 determination, that such adjustment is nec-
5 essary to ensure that this subparagraph covers
6 projects with a high risk of nonrenewal of expir-
7 ing contracts for project-based assistance.

8 “(B) REDUCTION TO MARKET RENTS.—In
9 the case of a project that has rent levels under
10 the expiring or terminating contract that exceed
11 comparable market rents for the market area,
12 at rent levels equal to such comparable market
13 rents.

14 “(C) RENTS NOT EXCEEDING MARKET
15 RENTS.—In the case of a project that is not
16 subject to subparagraph (A) or (B), at rent lev-
17 els that—

18 “(i) are not less than the existing
19 rents under the terminated or expiring
20 contract, as adjusted by an operating cost
21 adjustment factor established by the Sec-
22 retary (which shall not result in a negative
23 adjustment), if such adjusted rents do not
24 exceed comparable market rents for the
25 market area; and

1 “(ii) do not exceed comparable market
2 rents for the market area.

3 In determining the rent level for a contract
4 under this subparagraph, the Secretary shall
5 approve rents sufficient to cover budget-based
6 cost increases and shall give greater consider-
7 ation to providing rent at a level up to com-
8 parable market rents for the market area based
9 on the number of the criteria under clauses (i)
10 through (iii) of subparagraph (D) that the
11 project meets.

12 “(D) WAIVER OF 150 PERCENT LIMITA-
13 TION.—Notwithstanding subparagraph (A), at
14 rent levels up to comparable market rents for
15 the market area, in the case of a project that
16 meets the requirements under clauses (i)
17 through (v) of subparagraph (A) and—

18 “(i) has residents who are a particu-
19 larly vulnerable population, as dem-
20 onstrated by a high percentage of units
21 being rented to elderly families, disabled
22 families, or large families;

23 “(ii) is located in an area in which
24 tenant-based assistance would be difficult
25 to use, as demonstrated by a low vacancy

1 rate for affordable housing, a high
2 turnback rate for vouchers, or a lack of
3 comparable rental housing; or

4 “(iii) is a high priority for the local
5 community, as demonstrated by a con-
6 tribution of State or local funds to the
7 property.

8 In determining the rent level for a contract
9 under this subparagraph, the Secretary shall
10 approve rents sufficient to cover budget-based
11 cost increases and shall give greater consider-
12 ation to providing rent at a level up to com-
13 parable market rents for the market area based
14 on the number of the criteria under clauses (i)
15 through (iv) that the project meets.

16 “(5) COMPARABLE MARKET RENTS AND COM-
17 PARISON WITH FAIR MARKET RENTS.—The Sec-
18 retary shall prescribe the method for determining
19 comparable market rent by comparison with rents
20 charged for comparable properties (as such term is
21 defined in section 512), which may include appro-
22 priate adjustments for utility allowances and adjust-
23 ments to reflect the value of any subsidy (other than
24 section 8 assistance) provided by the Department of
25 Housing and Urban Development.

1 “(b) EXCEPTION RENTS.—

2 “(1) RENEWAL.—In the case of a multifamily
3 housing project described in paragraph (2), pursuant
4 to the request of the owner of the project, the con-
5 tract for assistance for the project pursuant to sub-
6 section (a) shall provide assistance at the lesser of
7 the following rent levels:

8 “(A) ADJUSTED EXISTING RENTS.—The
9 existing rents under the expiring contract, as
10 adjusted by an operating cost adjustment factor
11 established by the Secretary (which shall not re-
12 sult in a negative adjustment).

13 “(B) BUDGET-BASED RENTS.—Subject to
14 a determination by the Secretary that a rent
15 level under this subparagraph is appropriate for
16 a project, a rent level that provides income suf-
17 ficient to support a budget-based rent (includ-
18 ing a budget-based rent adjustment if justified
19 by reasonable and expected operating expenses).

20 “(2) PROJECTS COVERED.—A multifamily
21 housing project described in this paragraph is a mul-
22 tifamily housing project that—

23 “(A) is not an eligible multifamily housing
24 project under section 512(2); or

1 “(B) is exempt from mortgage restructur-
2 ing under this subtitle pursuant to section
3 514(h).

4 “(3) MODERATE REHABILITATION PROJECTS.—
5 In the case of a project with a contract under the
6 moderate rehabilitation program, other than a mod-
7 erate rehabilitation contract under section 441 of
8 the Stewart B. McKinney Homeless Assistance Act,
9 pursuant to the request of the owner of the project,
10 the contract for assistance for the project pursuant
11 to subsection (a) shall provide assistance at the less-
12 er of the following rent levels:

13 “(A) ADJUSTED EXISTING RENTS.—The
14 existing rents under the expiring contract, as
15 adjusted by an operating cost adjustment factor
16 established by the Secretary (which shall not re-
17 sult in a negative adjustment).

18 “(B) FAIR MARKET RENTS.—Fair market
19 rents (less any amounts allowed for tenant-pur-
20 chased utilities).

21 “(C) MARKET RENTS.—Comparable mar-
22 ket rents for the market area.

23 “(c) RENT ADJUSTMENTS AFTER RENEWAL OF CON-
24 TRACT.—

1 “(1) REQUIRED.—After the initial renewal of a
2 contract for assistance under section 8 of the United
3 States Housing Act of 1937 pursuant to subsection
4 (a), (b)(1), or (e)(2), the Secretary shall annually
5 adjust the rents using an operating cost adjustment
6 factor established by the Secretary (which shall not
7 result in a negative adjustment) or, upon the request
8 of the owner and subject to approval of the Sec-
9 retary, on a budget basis. In the case of projects
10 with contracts renewed pursuant to subsection (a) or
11 pursuant to subsection (e)(2) at rent levels equal to
12 comparable market rents for the market area, at the
13 expiration of each 5-year period, the Secretary shall
14 compare existing rents with comparable market
15 rents for the market area and may make any adjust-
16 ments in the rent necessary to maintain the contract
17 rents at a level not greater than comparable market
18 rents or to increase rents to comparable market
19 rents.

20 “(2) DISCRETIONARY.—In addition to review
21 and adjustment required under paragraph (1), in the
22 case of projects with contracts renewed pursuant to
23 subsection (a) or pursuant to subsection (e)(2) at
24 rent levels equal to comparable market rents for the
25 market area, the Secretary may, at the discretion of

1 the Secretary but only once within each 5-year pe-
2 riod referred to in paragraph (1), conduct a com-
3 parison of rents for a project and adjust the rents
4 accordingly to maintain the contract rents at a level
5 not greater than comparable market rents or to in-
6 crease rents to comparable market rents.

7 “(d) ENHANCED VOUCHERS UPON CONTRACT EXPI-
8 RATION.—

9 “(1) IN GENERAL.—In the case of a contract
10 for project-based assistance under section 8 for a
11 covered project that is not renewed under subsection
12 (a) or (b) of this section (or any other authority),
13 to the extent that amounts for assistance under this
14 subsection are provided in advance in appropriation
15 Acts, upon the date of the expiration of such con-
16 tract the Secretary shall make enhanced voucher as-
17 sistance under section 8(t) of the United States
18 Housing Act of 1937 (42 U.S.C. 1437f(t)) available
19 on behalf of each low-income family who, upon the
20 date of such expiration, is residing in an assisted
21 dwelling unit in the covered project.

22 “(2) DEFINITIONS.—For purposes of this sub-
23 section, the following definitions shall apply:

1 “(A) ASSISTED DWELLING UNIT.—The
2 term ‘assisted dwelling unit’ means a dwelling
3 unit that—

4 “(i) is in a covered project; and

5 “(ii) is covered by rental assistance
6 provided under the contract for project-
7 based assistance for the covered project.

8 “(B) COVERED PROJECT.—The term ‘cov-
9 ered project’ means any housing that—

10 “(i) consists of more than 4 dwelling
11 units;

12 “(ii) is covered in whole or in part by
13 a contract for project-based assistance
14 under—

15 “(I) the new construction or sub-
16 stantial rehabilitation program under
17 section 8(b)(2) of the United States
18 Housing Act of 1937 (as in effect be-
19 fore October 1, 1983),

20 “(II) the property disposition
21 program under section 8(b) of the
22 United States Housing Act of 1937,

23 “(III) the moderate rehabilitation
24 program under section 8(e)(2) of the

1 United States Housing Act of 1937
2 (as in effect before October 1, 1991);

3 “(IV) the loan management as-
4 sistance program under section 8 of
5 the United States Housing Act of
6 1937,

7 “(V) section 23 of the United
8 States Housing Act of 1937 (as in ef-
9 fect before January 1, 1975),

10 “(VI) the rent supplement pro-
11 gram under section 101 of the Hous-
12 ing and Urban Development Act of
13 1965, or

14 “(VII) section 8 of the United
15 States Housing Act of 1937, following
16 conversion from assistance under sec-
17 tion 101 of the Housing and Urban
18 Development Act of 1965,

19 which contract will (under its own terms)
20 expire during the period consisting of fiscal
21 years 2000 through 2004; and

22 “(iii) is not housing for which resi-
23 dents are eligible for enhanced voucher as-
24 sistance as provided, pursuant to the ‘Pre-
25 serving Existing Housing Investment’ ac-

1 count in the Departments of Veterans Af-
2 fairs and Housing and Urban Develop-
3 ment, and Independent Agencies Appro-
4 priations Act, 1997 (Public Law 104-204;
5 110 Stat. 2884) or any other subsequently
6 enacted provision of law, in lieu of any
7 benefits under section 223 of the Low-In-
8 come Housing Preservation and Resident
9 Homeownership Act of 1990 (12 U.S.C.
10 4113).

11 “(4) AUTHORIZATION OF APPROPRIATIONS.—
12 There are authorized to be appropriated for each of
13 fiscal years 2000, 2001, 2002, 2003, and 2004 such
14 sums as may be necessary for enhanced voucher as-
15 sistance under this subsection.

16 “(e) CONTRACTUAL COMMITMENTS UNDER PRESER-
17 VATION LAWS.—Except as provided in subsection (a)(2)
18 and notwithstanding any other provision of this subtitle,
19 the following shall apply:

20 “(1) PRESERVATION PROJECTS.—Upon expira-
21 tion of a contract for assistance under section 8 for
22 a project that is subject to an approved plan of ac-
23 tion under the Emergency Low Income Housing
24 Preservation Act of 1987 (12 U.S.C. 1715l note) or
25 the Low-Income Housing Preservation and Resident

1 Homeownership Act of 1990 (12 U.S.C. 4101 et
2 seq.), to the extent amounts are specifically made
3 available in appropriation Acts, the Secretary shall
4 provide to the owner benefits comparable to those
5 provided under such plan of action, including dis-
6 tributions, rent increase procedures, and duration of
7 low-income affordability restrictions. This paragraph
8 shall apply to projects with contracts expiring be-
9 fore, on, or after the date of the enactment of this
10 section.

11 “(2) DEMONSTRATION PROJECTS.—

12 “(A) IN GENERAL.—Upon expiration of a
13 contract for assistance under section 8 for a
14 project entered into pursuant to any authority
15 specified in subparagraph (B) for which the
16 Secretary determines that debt restructuring is
17 inappropriate, the Secretary shall, at the re-
18 quest of the owner of the project and to the ex-
19 tent sufficient amounts are made available in
20 appropriation Acts, provide benefits to the
21 owner comparable to those provided under such
22 contract, including annual distributions, rent
23 increase procedures, and duration of low-income
24 affordability restrictions. This paragraph shall
25 apply to projects with contracts expiring before,

1 on, or after the date of the enactment of this
2 section.

3 “(B) DEMONSTRATION PROGRAMS.—The
4 authority specified in this subparagraph is the
5 authority under—

6 “(i) section 210 of the Departments
7 of Veterans Affairs and Housing and
8 Urban Development, and Independent
9 Agencies Appropriations Act, 1996 (Public
10 Law 104-134; 110 Stat. 1321–285; 42
11 U.S.C. 1437f note);

12 “(ii) section 212 of the Departments
13 of Veterans Affairs and Housing and
14 Urban Development, and Independent
15 Agencies Appropriations Act, 1997 (Public
16 Law 104–204; 110 Stat. 2897; 42 U.S.C.
17 1437f note); and

18 “(iii) either of such sections, pursuant
19 to any provision of this title.

20 “(f) PREEMPTION OF CONFLICTING STATE LAWS
21 LIMITING DISTRIBUTIONS.—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2), no State or political subdivision of a
24 State may establish, continue in effect, or enforce
25 any law or regulation that limits or restricts, to an

1 amount that is less than the amount provided for
2 under the regulations of the Secretary establishing
3 allowable project distributions to provide a return on
4 investment, the amount of surplus funds accruing
5 after the date of the enactment of this section that
6 may be distributed from any multifamily housing
7 project assisted under a contract for rental assist-
8 ance renewed under any provision of this section (ex-
9 cept subsection (b)) to the owner of the project.

10 “(2) EXCEPTION AND WAIVER.—Paragraph (1)
11 shall not apply to any law or regulation to the extent
12 such law or regulation applies to—

13 “(A) a State-financed multifamily housing
14 project; or

15 “(B) a multifamily housing project for
16 which the owner has elected to waive the appli-
17 cability of paragraph (1).

18 “(3) TREATMENT OF LOW-INCOME USE RE-
19 STRICTIONS.—This subsection may not be construed
20 to provide for, allow, or result in the release or ter-
21 mination, for any project, of any low- or moderate-
22 income use restrictions that can not be eliminated by
23 unilateral action of the owner of the project.

24 “(g) APPLICABILITY.—Except to the extent otherwise
25 specifically provided in this section, this section shall apply

1 with respect to any multifamily housing project having a
2 contract for project-based assistance under section 8 that
3 terminates or expires during fiscal year 2000 or there-
4 after.”.

5 (b) DEFINITION OF ELIGIBLE MULTIFAMILY HOUS-
6 ING PROJECT.—Section 512(2) of the Multifamily As-
7 sisted Housing Reform and Affordability Act of 1997 (42
8 U.S.C. 1437f note) is amended by inserting after and
9 below subparagraph (C) the following:

10 “Such term does not include any project with an ex-
11 piring contract described in paragraph (1) or (2) of
12 section 524(e).”.

13 (c) PROJECTS EXEMPTED FROM RESTRUCTURING
14 AGREEMENTS.—Section 514(h) of the Multifamily As-
15 sisted Housing Reform and Affordability Act of 1997 (42
16 U.S.C. 1437f note) is amended by inserting before the
17 semicolon at the end the following: “and the financing in-
18 volves mortgage insurance under the National Housing
19 Act, such that the implementation of a mortgage restruc-
20 turing and rental assistance sufficiency plan under this
21 subtitle is in conflict with applicable law or agreements
22 governing such financing”.

23 (d) CONFORMING AMENDMENTS.—Section 8 of the
24 United States Housing Act of 1937 (42 U.S.C. 1437f) is
25 amended—

1 (1) by designating as subsection (v) the sen-
2 tence added by section 405(c) of The Balanced
3 Budget Downpayment Act, I (Public Law 104–99;
4 110 Stat. 44); and
5 (2) by striking subsection (w).

6 **SEC. 532. SECTION 236 ASSISTANCE.**

7 (a) CONTINUED RECEIPT OF SUBSIDIES UPON REFI-
8 NANCING.—Section 236(e) of the National Housing Act
9 (12 U.S.C. 1715z–1(e)) is amended—

10 (1) by inserting “(1)” after “(e)”; and

11 (2) by adding at the end the following new
12 paragraph:

13 “(2) A project for which interest reduction payments
14 are made under this section and for which the mortgage
15 on the project has been refinanced shall continue to receive
16 the interest reduction payments under this section under
17 the terms of the contract for such payments, but only if
18 the project owner enters into such binding commitments
19 as the Secretary may require (which shall be applicable
20 to any subsequent owner) to ensure that the owner will
21 continue to operate the project in accordance with all low-
22 income affordability restrictions for the project in connec-
23 tion with the Federal assistance for the project for a pe-
24 riod having a duration that is not less than the term for

1 which such interest reduction payments are made plus an
2 additional 5 years.”.

3 (b) RETENTION OF EXCESS INCOME.—Section
4 236(g) of the National Housing Act (12 U.S.C. 1715z–
5 1(g)) is amended—

6 (1) by inserting “(1)” after “(g)”;

7 (2) by striking the last sentence; and

8 (3) by adding at the end the following new
9 paragraphs:

10 “(2) Subject to paragraph (3) and notwithstanding
11 any other requirements of this subsection, a project owner
12 may retain some or all of such excess charges for project
13 use if authorized by the Secretary. Such excess charges
14 shall be used for the project and upon terms and condi-
15 tions established by the Secretary, unless the Secretary
16 permits the owner to retain funds for non-project use after
17 a determination that the project is well-maintained hous-
18 ing in good condition and that the owner has not engaged
19 in material adverse financial or managerial actions or
20 omissions as described in section 516 of the Multifamily
21 Assisted Housing Reform and Affordability Act of 1997.
22 In connection with the retention of funds for non-project
23 use, the Secretary may require the project owner to enter
24 into a binding commitment (which shall be applicable to
25 any subsequent owner) to ensure that the owner will con-

1 tinue to operate the project in accordance with all low-
2 income affordability restrictions for the project in connec-
3 tion with the Federal assistance for the project for a pe-
4 riod having a duration of not less than the term of the
5 existing affordability restrictions plus an additional 5
6 years.

7 “(3) The authority under paragraph (2) to retain and
8 use excess charges shall apply—

9 “(A) during fiscal year 2000, to all project
10 owners collecting such excess charges; and

11 “(B) during fiscal year 2001 and
12 thereafter—

13 “(i) to any owner of (I) a project with
14 a mortgage insured under this section, (II)
15 a project with a mortgage formerly insured
16 under this section if such mortgage is held
17 by the Secretary and the owner of such
18 project is current with respect to the mort-
19 gage obligation, or (III) a project pre-
20 viously assisted under subsection (b) but
21 without a mortgage insured under this sec-
22 tion if the project was insured under sec-
23 tion 207 of this Act before July 30, 1998,
24 pursuant to section 223(f) of this Act and
25 assisted under subsection (b); and

1 “(ii) to other project owners not re-
2 ferred to in clause (i) who collect such ex-
3 cess charges, but only to the extent that
4 such retention and use is approved in ad-
5 vance in an appropriation Act.”.

6 (c) PREVIOUSLY OWED EXCESS INCOME.—Section
7 236(g) of the National Housing Act (12 U.S.C. 1715z–
8 1(g)), as amended by subsection (b) of this section, is fur-
9 ther amended by adding at the end the following new para-
10 graph:

11 “(4) The Secretary shall not withhold approval of the
12 retention by the owner of such excess charges because of
13 the existence of unpaid excess charges if such unpaid
14 amount is being remitted to the Secretary over a period
15 of time in accordance with a workout agreement with the
16 Secretary, unless the Secretary determines that the owner
17 is in violation of the workout agreement.”.

18 (d) FLEXIBILITY REGARDING BASIC RENTS AND
19 MARKET RENTS.—Section 236(f) of the National Housing
20 Act (12 U.S.C. 1715z–1(f)(1)) is amended by striking the
21 subsection designation and all that follows through the
22 end of paragraph (1) and inserting the following:

23 “(f)(1)(A)(i) For each dwelling unit there shall be es-
24 tablished, with the approval of the Secretary, a basic rent-
25 al charge and fair market rental charge.

1 “(ii) The basic rental charge shall be—

2 “(I) the amount needed to operate the project
3 with payments of principal and interest due under a
4 mortgage bearing interest at the rate of 1 percent
5 per annum; or

6 “(II) an amount greater than that determined
7 under clause (ii)(I), but not greater than the market
8 rent for a comparable unassisted unit, reduced by
9 the value of the interest reduction payments subsidy.

10 “(iii) The fair market rental charge shall be—

11 “(I) the amount needed to operate the project
12 with payments of principal, interest, and mortgage
13 insurance premium which the mortgagor is obligated
14 to pay under the mortgage covering the project; or

15 “(II) an amount greater than that determined
16 under clause (iii)(I), but not greater than the mar-
17 ket rent for a comparable unassisted unit.

18 “(iv) The Secretary may approve a basic rental
19 charge and fair market rental charge for a unit that ex-
20 ceeds the minimum amounts permitted by this subpara-
21 graph for such charges only if—

22 “(I) the approved basic rental charge and fair
23 market rental charges each exceed the applicable
24 minimum charge by the same amount; and

1 “(II) the project owner agrees to restrictions on
2 project use or mortgage prepayment that are accept-
3 able to the Secretary.

4 “(v) The Secretary may approve a basic rental charge
5 and fair market rental charge under this paragraph for
6 a unit with assistance under section 8 of the United States
7 Housing Act of 1937 (42 U.S.C. 1437f) that differs from
8 the basic rental charge and fair market rental charge for
9 a unit in the same project that is similar in size and amen-
10 ities but without such assistance, as needed to ensure equi-
11 table treatment of tenants in units without such assist-
12 ance.

13 “(B)(i) The rental charge for each dwelling unit shall
14 be at the basic rental charge or such greater amount, not
15 exceeding the fair market rental charge determined pursu-
16 ant to subparagraph (A), as represents 30 percent of the
17 tenant’s adjusted income, except as otherwise provided in
18 this subparagraph.

19 “(ii) In the case of a project which contains more
20 than 5000 units, is subject to an interest reduction pay-
21 ments contract, and is financed under a State or local
22 project, the Secretary may reduce the rental charge ceil-
23 ing, but in no case shall the rental charge be below the
24 basic rental charge set forth in subparagraph (A)(ii)(I).

1 “(iii) For plans of action approved for capital grants
2 under the Low-Income Housing Preservation and Resi-
3 dent Homeownership Act of 1990 or the Emergency Low
4 Income Housing Preservation Act of 1987, the rental
5 charge for each dwelling unit shall be at the minimum
6 basic rental charge set forth in subparagraph (A)(ii)(I) or
7 such greater amount, not exceeding the lower of (I) the
8 fair market rental charge set forth in subparagraph
9 (A)(iii)(I), or (II) the actual rent paid for a comparable
10 unit in comparable unassisted housing in the market area
11 in which the housing assisted under this section is located,
12 as represents 30 percent of the tenant’s adjusted income.

13 “(C) With respect to those projects which the Sec-
14 retary determines have separate utility metering paid by
15 the tenants for some or all dwelling units, the Secretary
16 may—

17 “(i) permit the basic rental charge and the fair
18 market rental charge to be determined on the basis
19 of operating the project without the payment of the
20 cost of utility services used by such dwelling units;
21 and

22 “(ii) permit the charging of a rental for such
23 dwelling units at such an amount less than 30 per-
24 cent of a tenant’s adjusted income as the Secretary
25 determines represents a proportionate decrease for

1 the utility charges to be paid by such tenant, but in
2 no case shall rental be lower than 25 percent of a
3 tenant's adjusted income.”.

4 (e) EFFECTIVE DATE OF 1998 PROVISIONS.—Sec-
5 tion 236(g) of the National Housing Act (12 U.S.C.
6 1715z-1(g)), as amended by section 227 of the Depart-
7 ments of Veterans Affairs and Housing and Urban Devel-
8 opment, and Independent Agencies Appropriations Act,
9 1999 (Public Law 105-276; 112 Stat. 2490) shall be ef-
10 fective on the date of the enactment of such Public Law
11 105-276, and any excess rental charges referred to in
12 such section that have been collected since such date of
13 enactment with respect to projects with mortgages insured
14 under section 207 of the National Housing Act (12 U.S.C.
15 1713) may be retained by the project owner unless the
16 Secretary of Housing and Urban Development specifically
17 provides otherwise. The Secretary may return any excess
18 charges remitted to the Secretary since such date of enact-
19 ment.

20 (f) EFFECTIVE DATE.—This section shall take effect,
21 and the amendments made by this section are made and
22 shall apply, on the date of the enactment of this Act.

1 **SEC. 533. REHABILITATION OF ASSISTED HOUSING.**

2 (a) REHABILITATION LOANS FROM RECAPTURED
3 IRP AMOUNTS.—Section 236(s) of the National Housing
4 Act (12 U.S.C. 1715z–1(s)) is amended—

5 (1) by striking the subsection designation and
6 heading and inserting the following:

7 “(s) GRANTS AND LOANS FOR REHABILITATION OF
8 MULTIFAMILY PROJECTS.—”;

9 (2) in paragraph (1), by inserting “and loans”
10 after “grants”;

11 (3) in paragraph (2)—

12 (A) in the matter preceding subparagraph
13 (A), by striking “capital grant assistance under
14 this subsection” and inserting “capital assist-
15 ance under this subsection under a grant or
16 loan only”; and

17 (B) in subparagraph (D)(i), by striking
18 “capital grant assistance” and inserting “cap-
19 ital assistance under this subsection from a
20 grant or loan (as appropriate)”;

21 (4) in paragraph (3), by striking all of the mat-
22 ter that precedes subparagraph (A) and inserting
23 the following:

24 “(3) ELIGIBLE USES.—Amounts from a grant
25 or loan under this subsection may be used only for

1 projects eligible under paragraph (2) for the pur-
2 poses of—”;

3 (5) in paragraph (4)—

4 (A) by striking the paragraph heading and
5 inserting “GRANT AND LOAN AGREEMENTS”;
6 and

7 (B) by inserting “or loan” after “grant”,
8 each place it appears;

9 (6) in paragraph (5), by inserting “or loan”
10 after “grant”, each place it appears;

11 (7) in paragraph (6), by adding at the end the
12 following new subparagraph:

13 “(D) LOANS.—In making loans under this
14 subsection using the amounts that the Sec-
15 retary has recaptured from contracts for inter-
16 est reduction payments pursuant to clause (i)
17 or (ii) of paragraph (7)(A)—

18 “(i) the Secretary may use such re-
19 captured amounts for costs (as such term
20 is defined in section 502 of the Congres-
21 sional Budget Act of 1974) of such loans;
22 and

23 “(ii) the Secretary may make loans in
24 any fiscal year only to the extent or in
25 such amounts that amounts are used

1 under clause (i) to cover costs of such
2 loans.”;

3 (8) by redesignating paragraphs (5) and (6) (as
4 amended by the preceding provisions of this sub-
5 section) as paragraphs (6) and (7); and

6 (9) by inserting after paragraph (4) the follow-
7 ing new paragraph:

8 “(5) LOAN TERMS.—A loan under this
9 subsection—

10 “(A) shall provide amounts for the eligible
11 uses under paragraph (3) in a single loan dis-
12 bursement of loan principal;

13 “(B) shall be repaid, as to principal and
14 interest, on behalf of the borrower using
15 amounts recaptured from contracts for interest
16 reduction payments pursuant to clause (i) or
17 (ii) of paragraph (7)(A);

18 “(C) shall have a term to maturity of a du-
19 ration not shorter than the remaining period for
20 which the interest reduction payments for the
21 insured mortgage or mortgages that fund re-
22 payment of the loan would have continued after
23 extinguishment or writedown of the mortgage
24 (in accordance with the terms of such mortgage

1 in effect immediately before such extinguish-
2 ment or writedown);

3 “(D) shall bear interest at a rate, as deter-
4 mined by the Secretary of the Treasury, that is
5 based upon the current market yields on out-
6 standing marketable obligations of the United
7 States having comparable maturities; and

8 “(E) shall involve a principal obligation of
9 an amount not exceeding the amount that can
10 be repaid using amounts described in subpara-
11 graph (B) over the term determined in accord-
12 ance with subparagraph (C), with interest at
13 the rate determined under subparagraph (D).”.

14 (b) IRP CAPITAL GRANTS REQUIREMENT FOR EX-
15 TENSION OF LOW-INCOME AFFORDABILITY REQUIRE-
16 MENTS.—Section 236(s) of the National Housing Act (12
17 U.S.C. 1715z–1(s)) is amended—

18 (1) in paragraph (2)—

19 (A) by redesignating subparagraphs (C)
20 and (D), as amended by the preceding provi-
21 sions of this section, as subparagraphs (D) and
22 (E), respectively; and

23 (B) by inserting after subparagraph (B)
24 the following new subparagraph:

1 “(C) the project owner enters into such
2 binding commitments as the Secretary may re-
3 quire (which shall be applicable to any subse-
4 quent owner) to ensure that the owner will con-
5 tinue to operate the project in accordance with
6 all low-income affordability restrictions for the
7 project in connection with the Federal assist-
8 ance for the project for a period having a dura-
9 tion that is not less than the period referred to
10 in paragraph (5)(C);” and
11 (2) in paragraph (4)(B), by inserting “and con-
12 sistent with paragraph (2)(C)” before the period at
13 the end.

14 **SEC. 534. TECHNICAL ASSISTANCE.**

15 Section 514(f)(3) of the Multifamily Assisted Hous-
16 ing Reform and Affordability Act of 1997 (42 U.S.C.
17 1437f note) is amended by inserting after “new owners)”
18 the following: “, for technical assistance for preservation
19 of low-income housing for which project-based rental as-
20 sistance is provided at below market rent levels and may
21 not be renewed (including transfer of developments to ten-
22 ant groups, nonprofit organizations, and public entities),”.

1 **SEC. 535. TERMINATION OF SECTION 8 CONTRACT AND DU-**
2 **RATION OF RENEWAL CONTRACT.**

3 Section 8(c)(8) of the United States Housing Act of
4 1937 (42 U.S.C. 1437f(c)(8)) is amended—

5 (1) in subparagraph (A)—

6 (A) by striking “terminating” and insert-
7 ing “termination of”; and

8 (B) by striking the third comma of the
9 first sentence and all that follows through the
10 end of the subparagraph and inserting the fol-
11 lowing: “. The notice shall also include a state-
12 ment that, if the Congress makes funds avail-
13 able, the owner and the Secretary may agree to
14 a renewal of the contract, thus avoiding termi-
15 nation, and that in the event of termination the
16 Department of Housing and Urban Develop-
17 ment will provide tenant-based rental assistance
18 to all eligible residents, enabling them to choose
19 the place they wish to rent, which is likely to
20 include the dwelling unit in which they cur-
21 rently reside. Any contract covered by this
22 paragraph that is renewed may be renewed for
23 a period of up to one year or any number or
24 years, with payments subject to the availability
25 of appropriations for any year.”;
26 (2) by striking subparagraph (B);

1 (3) in subparagraph (C)—

2 (A) by striking the first sentence;

3 (B) by striking “in the immediately pre-
4 ceding sentence”;

5 (C) by striking “180-day” each place it ap-
6 pears;

7 (D) by striking “such period” and insert-
8 ing “one year”; and

9 (E) by striking “180 days” and inserting
10 “one year”; and

11 (4) by redesignating subparagraphs (C), (D),
12 and (E), as amended by the preceding provisions of
13 this subsection, as subparagraphs (B), (C), and (D),
14 respectively.

15 **SEC. 536. ELIGIBILITY OF RESIDENTS OF FLEXIBLE SUB-**
16 **SIDY PROJECTS FOR ENHANCED VOUCHERS.**

17 Section 201 of the Housing and Community Develop-
18 ment Amendments of 1978 (12 U.S.C. 1715z-1a) is
19 amended by adding at the end the following new sub-
20 section:

21 “(p) **ENHANCED VOUCHER ELIGIBILITY.**—Notwith-
22 standing any other provision of law, any project that re-
23 ceives or has received assistance under this section and
24 which is the subject of a transaction under which the
25 project is preserved as affordable housing, as determined

1 by the Secretary, shall be considered eligible low-income
2 housing under section 229 of the Low-Income Housing
3 Preservation and Resident Homeownership Act of 1990
4 (12 U.S.C. 4119) for purposes of eligibility of residents
5 of such project for enhanced voucher assistance provided
6 under section 8(t) of the United States Housing Act of
7 1937 (42 U.S.C. 1437f(t)) (pursuant to section 223(f) of
8 the Low-Income Housing Preservation and Resident
9 Homeownership Act of 1990 (12 U.S.C. 4113(f))).”.

10 **SEC. 537. ENHANCED DISPOSITION AUTHORITY.**

11 Section 204 of the Departments of Veterans Affairs
12 and Housing and Urban Development, and Independent
13 Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–
14 11a) is amended—

15 (1) by striking “and 1999” and inserting
16 “1999, and 2000”; and

17 (2) by striking “or demolition” and inserting “,
18 demolition, or construction on the properties (which
19 shall be eligible whether vacant or occupied)”.

20 **SEC. 538. UNIFIED ENHANCED VOUCHER AUTHORITY.**

21 (a) IN GENERAL.—Section 8 of the United States
22 Housing Act of 1937 (42 U.S.C. 1437f) is amended by
23 inserting after subsection (s) the following new subsection:

24 “(t) ENHANCED VOUCHERS.—

1 “(1) IN GENERAL.—Enhanced voucher assist-
2 ance under this subsection for a family shall be
3 voucher assistance under subsection (o), except that
4 under such enhanced voucher assistance—

5 “(A) subject only to subparagraph (D), the
6 assisted family shall pay as rent no less than
7 the amount the family was paying on the date
8 of the eligibility event for the project in which
9 the family was residing on such date;

10 “(B) during any period that the assisted
11 family continues residing in the same project in
12 which the family was residing on the date of the
13 eligibility event for the project, if the rent for
14 the dwelling unit of the family in such project
15 exceeds the applicable payment standard estab-
16 lished pursuant to subsection (o) for the unit,
17 the amount of rental assistance provided on be-
18 half of the family shall be determined using a
19 payment standard that is equal to the rent for
20 the dwelling unit (as such rent may be in-
21 creased from time to time), subject to para-
22 graph (10)(A) of subsection (o);

23 “(C) subparagraph (B) of this paragraph
24 shall not apply and the payment standard for
25 the dwelling unit occupied by the family shall be

1 determined in accordance with subsection (o)
2 if—

3 “(i) the assisted family moves, at any
4 time, from such project; or

5 “(ii) the voucher is made available for
6 use by any family other than the original
7 family on behalf of whom the voucher was
8 provided; and

9 “(D) if the income of the assisted family
10 declines to a significant extent, the percentage
11 of income paid by the family for rent shall not
12 exceed the greater of 30 percent or the percent-
13 age of income paid at the time of the eligibility
14 event for the project.

15 “(2) ELIGIBILITY EVENT.—For purposes of this
16 subsection, the term ‘eligibility event’ means, with
17 respect to a multifamily housing project, the prepay-
18 ment of the mortgage on such housing project, the
19 voluntary termination of the insurance contract for
20 the mortgage for such housing project, the termi-
21 nation or expiration of the contract for rental assist-
22 ance under section 8 of the United States Housing
23 Act of 1937 for such housing project, or the trans-
24 action under which the project is preserved as af-
25 fordable housing, that, under paragraphs (3) and (4)

1 of section 515(c), section 524(d) of the Multifamily
2 Assisted Housing Reform and Affordability Act of
3 1997 (42 U.S.C. 1437f note), section 223(f) of the
4 Low-Income Housing Preservation and Resident
5 Homeownership Act of 1990 (12 U.S.C. 4113(f)), or
6 section 201(p) of the Housing and Community De-
7 velopment Act of 1978 (12 U.S.C. 1715z-1a(p)), re-
8 sults in tenants in such housing project being eligi-
9 ble for enhanced voucher assistance under this sub-
10 section.

11 “(3) TREATMENT OF ENHANCED VOUCHERS
12 PROVIDED UNDER OTHER AUTHORITY.—

13 “(A) IN GENERAL.—Notwithstanding any
14 other provision of law, any enhanced voucher
15 assistance provided under any authority speci-
16 fied in subparagraph (B) shall (regardless of
17 the date that the amounts for providing such
18 assistance were made available) be treated, and
19 subject to the same requirements, as enhanced
20 voucher assistance under this subsection.

21 “(B) IDENTIFICATION OF OTHER AUTHOR-
22 ITY.—The authority specified in this subpara-
23 graph is the authority under—

24 “(i) the 10th, 11th, and 12th provisos
25 under the ‘Preserving Existing Housing

1 Investment’ account in title II of the De-
2 partments of Veterans Affairs and Hous-
3 ing and Urban Development, and Inde-
4 pendent Agencies Appropriations Act,
5 1997 (Public Law 104–204; 110 Stat.
6 2884), pursuant to such provisos, the first
7 proviso under the ‘Housing Certificate
8 Fund’ account in title II of the Depart-
9 ments of Veterans Affairs and Housing
10 and Urban Development, and Independent
11 Agencies Appropriations Act, 1998 (Public
12 Law 105–65; 111 Stat. 1351), or the first
13 proviso under the ‘Housing Certificate
14 Fund’ account in title II of the Depart-
15 ments of Veterans Affairs and Housing
16 and Urban Development, and Independent
17 Agencies Appropriations Act, 1999 (Public
18 Law 105–276; 112 Stat. 2469); and

19 “(ii) paragraphs (3) and (4) of section
20 515(c) of the Multifamily Assisted Housing
21 Reform and Affordability Act of 1997 (42
22 U.S.C. 1437f note), as in effect before the
23 enactment of this Act.

24 “(4) AUTHORIZATION OF APPROPRIATIONS.—

25 There are authorized to be appropriated for each of

1 fiscal years 2000, 2001, 2002, 2003, and 2004 such
2 sums as may be necessary for enhanced voucher as-
3 sistance under this subsection.”.

4 (b) ENHANCED VOUCHERS UNDER MAHRAA.—Sec-
5 tion 515(c) of the Multifamily Assisted Housing Reform
6 and Affordability Act of 1997 (42 U.S.C. 1437f note) is
7 amended by striking paragraph (4) and inserting the fol-
8 lowing new paragraph:

9 “(4) ASSISTANCE THROUGH ENHANCED VOUCH-
10 ERS.—In the case of any family described in para-
11 graph (3) that resides in a project described in sec-
12 tion 512(2)(B), the tenant-based assistance provided
13 shall be enhanced voucher assistance under section
14 8(t) of the United States Housing Act of 1937 (42
15 U.S.C. 1437f(t)).”.

16 (c) ENHANCED VOUCHERS FOR CERTAIN TENANTS
17 IN PREPAYMENT AND VOLUNTARY TERMINATION PROP-
18 ERTIES.—Section 223 of the Low-Income Housing Preser-
19 vation and Resident Homeownership Act of 1990 (12
20 U.S.C. 4113) is amended by adding at the end the follow-
21 ing new subsection:

22 “(f) ENHANCED VOUCHER ASSISTANCE FOR CER-
23 TAIN TENANTS.—

24 “(1) AUTHORITY.—In lieu of benefits under
25 subsections (b), (c), and (d), and subject to the

1 availability of appropriated amounts, each family de-
2 scribed in paragraph (2) shall be offered enhanced
3 voucher assistance under section 8(t) of the United
4 States Housing Act of 1937 (42 U.S.C. 1437f(t)).

5 “(2) ELIGIBLE FAMILIES.—A family described
6 in this paragraph is a family that is—

7 “(A)(i) a low-income family; or

8 “(ii) a moderate-income family that is (I)
9 an elderly family, (II) a disabled family, or (III)
10 residing in a low-vacancy area; and

11 “(B) residing in eligible low-income hous-
12 ing on the date of the prepayment of the mort-
13 gage or voluntary termination of the insurance
14 contract.”.